1 2 3	KYLE T. JONES, Counsel (SBN 300751) Department of Real Estate P.O. BOX 137007 Sacramento, CA 95813-7007 FILED
4	Telephone: (916) 576-8700 MAY 0 9 2019
5	(916) 263-3767 (Fax) (916) 576-7840 (Direct) DEPARTMENT OF REAL ESTATE
6	By B.M.Chilas
7	
8	BEFORE THE DEPARTMENT OF REAL ESTATE
9	STATE OF CALIFORNIA
10	* * *
11	In the Matter of the Accusation of)
12) No. H-6801 SAC AMERICAN REAL ESTATE SERVICES GROUP,)
13	DONALD CAUDILL and)
14	JANELLE ELAINE DUKE,) ACCUSATION Respondents.)
15)
16	The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
17	Supervising Special Investigator of the State of California, for this Accusation against
18	AMERICAN REAL ESTATE SERVICES GROUP ("ARESG"), DONALD CAUDILL
19	("CAUDILL"), and JANELLE ELAINE DUKE ("DUKE"), collectively, "Respondents", is
20	informed and alleges as follows:
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22	At all times mentioned herein, ARESG was, and is presently licensed and/or has
23	license rights by the Department of Real Estate ("Department"), herein under the California
24	Business and Professions Code ("Code") as a corporate real estate broker, License No.
25	01902542.
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2 At all times mentioned herein, CAUDILL was, and is presently licensed and/or 3 has license rights by the Department as a real estate broker, License No. 01372281, and was the 4 Designated Officer of ARESG. 5 3 6 At all times mentioned herein, DUKE was, and is presently licensed and/or has 7 license rights by the Department as a real estate salesperson, License No. 01390121. At all times 8 mentioned herein, DUKE was under the employ of ARESG. 9 4 10 At all times mentioned herein, Respondents engaged in the business of, acted in 11 the capacity of, advertised, or assumed to act as a real estate broker within the meaning of 12 Section 10131(a) of the Code, in that Respondents performed licensed activities in the State of 13 California for or in expectation of compensation, including the operation and conduct of a real 14 estate brokerage that included the sale or offer to sell, purchase or offer to purchase, solicitation 15 of prospective sellers and purchasers of, solicitation or obtaining listings of, or negotiates of the 16 purchase, sale or exchange of real property or a business opportunity. 17 5 18 In or about July and August, 2017, Respondents represented Leanne L. in the purchase of the property located at 3120 Live Oak Boulevard, Yuba City, CA 95991 ("Subject 19 Property"). 20 21 6 On or about July 21, 2017, DUKE, on behalf of Leanne L., submitted an offer to 22 purchase the Subject Property to the listing agent, JANICE O'BRIEN ("O'BRIEN"). On or 23 about July 27, 2017, Leanne L. signed a counter offer from the sellers and was in contract to 24 25 purchase the Subject Property. 26 ////// 27 2

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On or about July 27, 2017, O'BRIEN sent DUKE, by email, a collection of disclosures including, but not limited, to a Manufactured Home Transfer Disclosure Statement and a Seller Property Questionnaire. The disclosures revealed that the previous occupant of the Subject Property committed suicide inside the Subject Property. Between August 3, 2017, and August 8, 2017, O'BRIEN made several attempts to get said disclosures back from DUKE, signed by Leanne L. On or about August 9, 2017, escrow closed with Leanne L. purchasing the Subject Property. Respondents failed to provide Leanne L. the disclosures emailed by O'BRIEN prior to the close of escrow. At the time of the close of escrow, Leanne L. was unaware that the previous occupant of the Subject Property committed suicide in the Subject Property. Respondents failed to deliver a Manufactured Home Transfer Disclosure Statement to Leanne L. prior to the close of escrow as required by Sections 1102.3a and 1102.12 of the California Civil Code. Respondents failed to conduct a reasonably competent and diligent visual inspection of the Subject Property prior to the close of escrow as required by Section 2079 of the California Civil Code. While engaging in the real estate activities described above in Paragraphs 5 through 11, pursuant to the requirements of Section 10159.2 of the Code and Section 2725, Title 10, of the California Code of Regulations, CAUDILL was responsible for exercising reasonable supervision over the activities of ARESG's employees and/or its associates, including, but not limited to DUKE.

1	GROUNDS FOR DISCIPLINE	
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3	The acts and/or omissions of Respondents as alleged above constitute grounds for	
4	the suspension or revocation of the license and license rights of Respondents under Sections	
5	10176.5 (real estate transfer disclosure statement violations), 10177(d) (willful disregard or	
6	violation of real estate laws), and 10177(g) (negligence or incompetence) of the Code.	
7	14	I I
8	The acts and/or omissions of CAUDILL as alleged above further constitute	
9	grounds for the suspension or revocation of the license and license rights of CAUDILL under	
10	Sections 10177(h) (failure to exercise reasonable supervision) and 10159.2 (failure of	
11	supervision by designated officer) of the Code.	
12	<u>COST RECOVERY</u>	
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14	The Department will seek to recover the costs of the investigation and prosecution	
15	of this case pursuant to Section 10106 of the Code which provides, in pertinent part, that in any	
16	order issued in resolution of a disciplinary proceeding before the Department, the Commissioner	
17	may request the administrative law judge to direct a licensee found to have committed a violation	
18	of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement	
19	of the case.	
20	WHEREFORE, Complainant prays that a hearing be conducted on the allegations	
21	of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary	
22	action against all licenses and license rights of Respondent under the Real Estate Law, for the	
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cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law. TRICIA D. PARKHURST Supervising Special Investigator Dated at Sacramento, California, this 6^{M} day of M_{M} 2019. DISCOVERY DEMAND Pursuant to Sections 11507.6, et seq. of the Administrative Procedure Act, the Department hereby makes demand for discovery pursuant to the guidelines set forth in the Administrative Procedure Act. Failure to provide Discovery to the Department may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.